

IMPROVING Advocacy

BY FORMING RELATIONSHIPS

WITH ADVOCACY

ORGANIZATIONS, pharmaceutical

companies can better serve
their target patient populations,

WHICH IN TURN WILL

GIVE THEM ALLIES IN THE

COURT OF PUBLIC OPINION.

PHARMACEUTICAL COMPANIES ARE IN THE MIDDLE OF A PUBLIC-RELATIONS CRISIS.

In recent years, consumer media reports have been full of topics related to drug pricing, reimportation, unethical sales tactics, drug recalls, and corporate scandals.

According to Harris Interactive's annual survey, which measures how 15 different industries are rated in terms of serving their customers, the news is not good for the healthcare industry. In this year's survey, 44% of all adults think pharmaceutical companies are doing a good job for their consumers; 48% think they are doing a bad job. In 1997, 79% thought the industry was doing a good job.

The pharmaceutical industry's efforts to find treatments for diseases and improve the quality of life of patients are unparalleled. With such a good mission, why is the industry's reputation slipping? Public-relations experts say



JOHN DEATS

We can fix the image problem by putting a more human face on the pharma industry.

WE HAVE TO MAKE WHAT WE DO RELATE TO PEOPLE'S LIVES, NOT TO STOCK ON WALL STREET.

RELATIONS

▼ **JEFF HOYAK**

PHARMA COMPANIES AND PATIENT-ADVOCACY GROUPS SHARE MANY OF THE SAME GOALS:

advancing medical research, bringing new therapeutic modalities to the marketplace quickly, and educating patients and families about disease and options to help them.



the pharmaceutical industry needs to better communicate its story of good will and positive achievements. One way this can be accomplished is through partnerships with patient and consumer-advocacy organizations, which provide third-party credibility and an unbiased voice to share pharma's story.



MARITA GOMEZ ▶

Pharmaceutical companies that insist on promoting their brands to advocacy groups with little thought to their specific needs **ARE MISSING THE PICTURE AND ARE ONLY DOING THE INDUSTRY MORE HARM.**

BENEFITS CAN START EARLY ON

Experts say a relationship with a patient-advocacy group should be developed during preclinical and early clinical stages of develop-

◀ **JULIE LAITIN**

Pharma companies realize that **THEY HAVE TO ADDRESS ALL OF THEIR VARIOUS AUDIENCES** and show the benefits of what they are doing.



ment. By fostering relationships earlier, companies can elicit feedback as to the needs of their potential patient population before drugs

Sound Bites from the Experts

PHARMAVOICE ASKED EXPERTS IN PUBLIC RELATIONS WHETHER PUBLIC PERCEPTION OF THE PHARMA INDUSTRY WILL IMPROVE OR CONTINUE TO DECLINE DURING THE NEXT FIVE YEARS AND WHY.



ROBERT CHANDLER AND GIANFRANCO CHICCO are the Founders and Principals of Chandler Chicco Agency, New York, a healthcare public-relations firm specializing in global and country-specific corporate and product positioning and communications. For more information, visit ccapr.com.



“If history tells us anything, it is that the situation is not going to improve any time soon. There is little question that the industry is going to be a central focus in this year’s presidential campaign. With attacks regarding pricing, profits, marketing methods, and demands that all trial data be made public, it’s obvious that the industry’s public-relations challenges are only going to increase. Public opinion can be improved, certainly, but the emphasis must switch from the broader gauge, such as heavy reliance on DTC, to the grass roots. Like politics, all healthcare is local. That’s how it’s always been and will always be. The sooner we make the switch, the faster things will begin to improve. While DTC can deliver the messages of the industry with a high degree of reach and frequency, its obvious drawback is credibility. If marketers think DTC is the answer the problems will not only continue, they may get worse.”



HELENE ELLISON is President and CEO of HealthSTAR Public Relations, New York, a network that provides comprehensive, integrated, and cost-effective marketing services at every level of healthcare marketing. For more information, visit healthstarcom.com.

“This year it is likely to get worse with the upcoming attorneys general investigations and

negative exposés on industry marketing practices. Also, managed-care policy issues will continue to fuel anti-industry media coverage on the high price of prescription drugs as a campaign platform. After the election, if the industry does a better job of addressing and repairing its image and mitigate the impact of critics by focusing attention on pharma’s value and all that has been accomplished, things should improve.”



MICHAEL KEMPNER is President and CEO of The MWW Group, East Rutherford, N.J., a public-relations agency specializing in consumer marketing, corporate communications, investor relations, public affairs and government relations, and healthcare. For more information, visit mwwgroup.com.

“Lack of credibility continues to be a major obstacle for the pharmaceutical industry. The industry continues to fall short in its efforts to shape consumers’ perceptions. In fact, recently *The Wall Street Journal* reported that pharma ranks among the least trusted industries. Moreover, the DTC market has become so saturated that consumers often can’t tell one message from another, and, even worse, many are no longer paying attention. Any efforts to reshape the reputation of the industry and win back trust and credibility among consumers will require a concerted effort by the industry’s leading companies. It is imperative that companies convey they have interests beyond selling products and growing the bottom line, such as supporting research and patient-education programs. Developing smart philanthropic initiatives and preventive programs can be instrumental in correcting negative perceptions. Moreover, there are opportunities to create programs that are in line with the company’s business objectives, but these initiatives cannot be overtly self-serving or their point will be lost. Public perception will not improve on its own. If companies do not change their current approach then the status quo will remain in place.

Pharmaceutical companies and their PR agencies must work to position their respective organizations as good corporate citizens. This can be accomplished through the introduction of unbranded consumer-education initiatives and preventive programs with a focus on patient education. Gaining the support of key third-party endorsers can be crucial. Patient-advocacy groups can be invaluable third-party endorsers and play a tremendous role in helping a company boost its credibility among the media and consumers. Contact with patient-advocacy groups should be made early and maintained as ongoing relationships. In addition to publicizing work with the patient-advocacy groups, companies should also take an active and public role in supporting research by respected hospitals and universities.”



KENNETH D. MAKOVSKY is President of Makovsky & Company, New York, one of the nation’s top 30 independent public and investor relations firms. For more information, visit makovsky.com.

“As the adage goes, ‘sticks and stones may break my bones,’ but price controls can hurt me. As public perception of the pharmaceutical industry continues to come into play, the biggest risk is financial pressures from managed care and state Medicaid formularies. Fortunately, there are some bright spots on the horizon. With an older population, medicines are viewed as one of the most cost-effective means to stave off more serious illness and death. As an example, the new American Heart Association guides on cholesterol reduction, placing drugs in the first-line category, reflect a new thinking that pharmaceuticals reduce actual costs and save lives. The pharma industry knows that for its financial and public-policy survival ‘me-too’ products aren’t going to be enough. The next wave of medical innovations will shift life-threatening illnesses such as cancer into chronic-care mode. The next step for the industry is to postpone progressive illnesses. Public relations

can raise the awareness of this next level of innovation so that it will be rewarded in public praise and shareholder returns.”



MATTHEW MERLIN is a Research Director at Delahaye, Norwalk, Conn., a research division of Medialink, a global leader in providing news and media services for professional communicators. For more information, visit medialink.com.

“The American pharmaceutical industry received a high-profile rebuke in recent months for escalating drug prices, but these criticisms have not caused large amounts of negative sentiment to hit individual drug companies, yet. The good news is that the pharmaceutical industry can manage its public image. One great advantage is that pharmaceutical PR departments possess health information that the public craves. Armed with this important asset, the industry has an advantage over other industries in that it can generate high volumes of positive news to mitigate negative news surrounding pricing and profits. Company financials and news about individual drugs, such as drug studies and government approvals, tend to generate a larger impact on an individual company’s ranking. A major financial loss or a high-profile scandal would be much more detrimental to the news coverage of a particular company than just articles on high drug prices.”



PETER PITTS is Senior VP of Health Affairs at Manning Selvage & Lee, New York, one of the world’s leading global public-relations firms and a member of the Publicis Groupe SA. For more information, visit mslpr.com.

“Pharmaceutical companies are the current bete noire of American healthcare. And they’re an easy target. The highly politicized debates over drug importation, Medicare reform, and direct-to-consumer advertising show that there are no

simple answers as to why drugs cost so much and why drugs cost so much less in other countries. The situation has to change. We must strive to change the public perception to a more positive view of the industry, a view the industry deserves. The post-election period provides the next significant opportunity for the pharmaceutical industry to prove that it is, indeed, in the business of advancing public health. If we can help change the debate to the more significant cost of healthcare rather than the price of drugs, public perceptions will change, slowly at first and then rapidly in the right direction. Patient groups and advocacy organizations will play a crucial role in this new issue/image initiative.”



KAREN REINA AND SUSAN SMIRNOFF are Executive VPs and Co-Heads of the HealthCare Practice at Ruder Finn Inc., New York, a leading global communications, counseling, and services agency. For more information, visit ruderfinn.com.



“The public’s view of the pharmaceutical industry will continue to decline through the U.S. general election in November and as the Medicare drug reimbursement law comes to fruition. By mid-2006, the industry’s image will begin to rebound as pharmaceutical companies become more adept at understanding and effectively marketing to their customers and as more drugs, devices, and biologics make their way into the pipeline. Along the way, the companies that demonstrate vision and boldness with innovative access programs and meaningful, strategic partnerships with state and federal governments will raise the bar and set a new standard for the industry.”

reach the market. This would be viewed much more favorably, say public-relations professionals, than a partnership with an advocacy group as part of the prelaunch marketing strategy.

Additionally, through the development of partnerships during the clinical phases of development, patient-advocacy groups can help pharmaceutical companies and their partners overcome one of the biggest industry obstacles today: patient recruitment. Patient-advocacy groups also can help dispel the perception of clinical-trial misconduct and add validity to a trial.

“From a PR perspective, the involvement of patient-advocacy groups can add to the public’s confidence of clinical-trial conduct because they are independent of the pharmaceutical company and represent the interests of the patient,” says James Powers, executive VP of business development at PRA International Inc. “Typically, patient-advocacy groups are involved in clinical trials that treat life-threatening or seriously debilitating conditions.”

According to Eve Dryer, president of Vox Medica Healthcare Public Relations, pharmaceutical companies and their PR agencies should use third-party groups as a two-way conduit, deriving information with regard to the needs of their constituencies and factoring those needs into the development of the particular product.

“It is extremely important that pharmaceutical companies don’t just come to the table six months before the launch of a drug,” she says. “They need to have relationships with advocacy groups on an ongoing basis.”

Advocates have a vested interest in helping communicate scientific information about investigational drugs to their constituencies on an ongoing basis.

“That’s why companies should involve advocates at the onset, in a collaborative fashion, so that the relationship starts out on a productive note,” says Ilyssa Levins, managing director of BrandEdge. “Expecting advocacy groups to help out only when the pharmaceutical company needs them is not realistic and will not benefit all involved. Ultimately, it is better to lend a hand before asking for help.”

Pharmaceutical companies need to be cognizant of the fact that this relationship is a two-way street.

“Companies can’t just tap advocacy groups to communicate messages back to their audiences,” says Michael Rinaldo, senior VP, senior partner, and director of healthcare at Fleishman-Hillard Inc. “Pharmaceutical com-

Trust is Built Bottom Up

PHARMAVOICE REPORTED LAST YEAR THAT, ACCORDING TO THE LATEST DATA FROM THE FOURTH EDITION OF EDELMAN'S TRUST BAROMETER, OPINION LEADERS IN FOUR COUNTRIES RANKED THE PHARMACEUTICAL INDUSTRY BELOW THAT OF MANY OTHER INDUSTRIES, INCLUDING AUTOMOTIVE AND AIRLINES, IN TERMS OF ITS OWN CREDIBILITY AND TRUST.



J. PETER SEGALL

"Trust is the ultimate word in communications, business, and transactions, and in no other industry is it more important than health-care," says J. Peter Segall, who heads Edelman's health policy and public affairs practice. "Its meaning goes beyond simply saying that someone depends on, looks to, or approves of a

pharmaceutical company's behavior or brands. To say someone has trust is to say he or she has faith in and is unlikely to question the authority, legitimacy, or quality of the company, organization, or brand being trusted. It is a sentiment that is hard to earn and easy to lose."

The challenge facing the industry is often thought to be how a company can get its message across in a world of nonstop media and incessant commercial bombardment. Mr. Segall says therein lies a fundamental misconception: people don't want messages shot at them anymore, they want conversations. Communication is now a two-way process; audiences expect to be heard and want to be involved.

The fifth edition of Edelman's Trust Barometer shows how skeptical respondents have become of any paid spokesperson or traditional source of information. Friends and family, regular employees, or the average person are now perceived to be as credible as doctors or healthcare professionals (for more information, see chart).

According to Mr. Segall, we're entering an era of horizontal, peer-to-peer communications. Audiences build their own web of trusted sources and cherry-pick information from sources and people to whom they can relate.

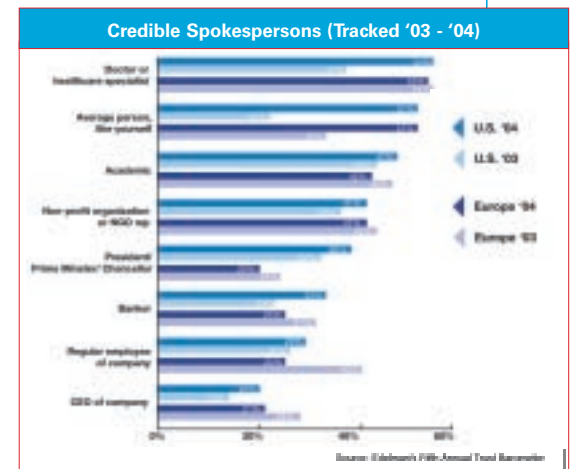
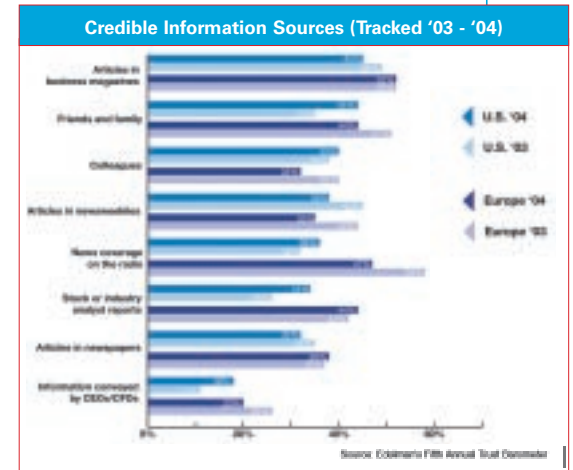
"The power of the traditional, top-down one-way mass communications is waning," he says. "Its reach and effectiveness is eroding. People are no longer content to be passive recipients. They want to be engaged through dialogue with people they know and trust, as well as through relevant experiences."

Today, credibility and trust are built from the bottom up, through the powerful force of word of mouth. There is a direct correlation between the share of conversations about a pharmaceutical company, its brands, and its market share.

The first step, according to Mr. Segall, is to identify a core group of grassroots advocates who are already independent self-appointed leaders in their distinct therapeutic area, issue, or brand. Then pharmaceutical companies need to engage, activate, and sustain these catalysts, who in turn will help build and nurture communities of patients or caregivers around their core issues.

Today, a company or product builds its reputation and its brands by establishing dialogue with the end-user of products and services. To earn trust, companies must provide journalism-quality content and communicate directly to patients, not just through the filter of the media and third parties. Catalysts come from all stakeholders, and engaging employees as advocates will ensure reputations from the "inside-out."

To improve the reputation of the health-



care industry, pharmaceutical companies need to rethink their approach to communication. Credibility and trust will come by engaging consumers in conversations.

"The pharma industry will emerge from the cloud it is under faster and stronger if it tells its story well," Mr. Segall says. "The industry should look to understand how the American people today contemplate the issue of affordability of drugs and do everything in its power to deal with that issue in a way that people will appreciate."

panies have to be willing to help advocacy groups achieve some of their organizational goals. Building relationships with these organizations is critically important.”

Patient-advocacy groups also are important for creating awareness of medical conditions through disease-awareness campaigns and educational programs. To benefit from this, John Deats, PR practice leader at GSW Worldwide, says pharmaceutical companies need to make advocacy groups long-term partners and not just connections for a short period of time. There needs to be a more strategic alignment of the two groups, not just a tactical one, he says.

Ms. Levins says through advocacy relationships pharmaceutical companies strengthen their public image by empowering healthcare professionals to educate patients about disease states and therapeutic options. Once a drug is on the market, advocates can cosponsor large-scale education programs or support initiatives to enhance compliance.

“Companies have conducted consumer-directed disease awareness/compliance campaigns with advocates on the local level for years,” Ms. Levins explains. “But they have not traditionally been thought of as tools to enhance corporate and industry reputation. Pharma enhances its position as an invaluable contributor to public health by partnering with healthcare professionals on seminars, public service spots, and events that maximize consumer understanding of their condition.”

Well-orchestrated advocacy campaigns, in tandem with media relations and physician experts, can enhance compliance by effectively delivering compliance messages in patient-friendly and highly trusted forums, such as advocacy newsletters and workshops on site at the advocacy group center.

Furthermore, Ms. Levins says advocacy groups can effectively deliver these positive industry messages to multicultural populations that prefer to receive their medical information from community advocates, such as pastors and ministers.

Part of the reason advocacy groups are such credible sources of information is because they are in many cases comprised of, or founded by, patients who struggled with a particular disease and found a path back to wellness.

“Many of these people found their situations improved by pharma-developed products, therefore they and their organizations are very credible and appropriate spokespeople for the value and life-enhancing benefits that

IN THIS YEAR'S HARRIS INTERACTIVE SURVEY, 48% OF ALL ADULTS THINK PHARMACEUTICAL COMPANIES ARE DOING A BAD JOB OF SERVING THEIR CUSTOMERS.

IN 1997, 79% THOUGHT THE INDUSTRY WAS DOING A GOOD JOB.

these companies bring to healthcare,” says Jeff Hoyak, executive VP of MCS PR. “These are the people who not only benefited from pharmaceutical research but have organized entire networks of fellow patients around the cause of advancing research so that future patients can benefit.”

GETTING TO KNOW YOU

According to NOP World Consumer, the percentage of Americans who have a highly or moderately favorable opinion of the drug and pharmaceutical industry fell to 51% in 2003, compared with 68% who answered an opinion survey in 1996. Experts at NOP say familiarity is a key to positive reputation and also drives consumer recommendations. According to the NOP survey, the percentage of Americans familiar with the top five or six companies in the pharma industry is 36%.

“The No. 1 issue for the pharma industry is a lack of visibility,” says Brad Fay, managing director of NOP World Consumer. “The pharmaceutical industry, compared with virtually every other major industry, has done a poor job in creating public familiarity with specific companies. This is undermining the ability to create a sense of credibility with the public. Pharmaceutical companies in general have done a pretty good job of staying invisible and in the public-relations world we think this is a negative.”

Mr. Fay points out that keeping a low profile puts the industry at risk of not winning public support when a company is involved in a controversy or policy debate.

The pharmaceutical industry's low profile may be attributable to its relatively recent entry into the consumer spectrum. The indus-

try has decades of experience reaching out to and building relationships with physicians and the medical community. The advent of direct-to-consumer advertising, however, quickly brought the pharmaceutical industry into contact with consumers, which prompted new forms of communications.

“Only within the last decade has the pharmaceutical industry really been out there speaking directly and forcefully to the consumer audience,” Mr. Rinaldo says. “The industry has worked hard to make sure it had the right kind of relationships with the medical community, but it hasn't spent as much time cultivating relationships with the consumer audience. Thus, when companies come under scrutiny, they are in a position of playing catch up; it is always harder to get a message across while in this mode.”

In this era of regulations and increased scrutiny over communications with patients and consumers, third-party groups also can be great assets in having a conversation with consumers.

“Advocacy offers information from an unbiased third party, which has a better public perception,” says Julie A. Laitin, president of Julie A. Laitin Enterprises. “But there are a lot of regulations that make it difficult to have a dialogue with consumers directly. If pharmaceutical companies work with a third-party, it is easier to get their information out to consumers.”

Gerald S. Schwartz, president of G.S. Schwartz & Co. Inc., believes that the complexity of the pharma industry is another reason why there is a tumultuous relationship with consumers.

“Pharmaceuticals deal with people's health and their lives, and when mistakes are made the consequences can be totally irreversible,” he says. “I don't know of any other industry where the stakes are quite so high. This is a huge burden for any industry to carry. Obviously when people are healthy they have few complaints, but when they are sick or elderly, issues become more intense.”

Because of the unique challenges and responsibilities the industry has, it is critical that pharmaceutical companies tell their story clearly and often.

“The industry can and should do a better job of communicating the vital importance of its research and the value of its products to policy makers, consumers, and the media,” Mr. Hoyak says. “Drug companies are responsible for much, if not most, of the medical research that results in breakthrough therapies and

MARCIA KEAN ▶

THERE IS AN ABSOLUTE LACK OF UNDERSTANDING AMONG THE PUBLIC of how drugs can and have

transformed healthcare and completely changed potential outcomes for some major diseases, as well as how, as a result, life spans are longer and people are living healthier.



MICHAEL RINALDO ▲

Pharmaceutical companies can't ignore consumer-advocacy groups; they are out there and the industry has to deal with them one way or the other. This isn't about coming to a mutual agreement on every single aspect; **THIS IS ABOUT TRYING TO FIND COMMON GROUND THAT BOTH GROUPS CAN WORK FROM TO BUILD A POSITIVE RELATIONSHIP.**

treatment advances. Drugs save, extend, and improve lives, as well as eliminate or reduce the need for more costly medical interventions such as surgery and hospitalization. This message needs to be communicated better."

Marita Gomez, partner at HealthInfo, cites an example of how one pharmaceutical com-



GERALD SCHWARTZ ▶

With advertising, a company talks about itself.

With public relations, people talk about the company. There is a very clear difference between the two techniques.

HUMAN INTERACTION FOSTERED BY A PUBLIC-RELATIONS PROGRAM IS VERY, VERY POWERFUL.

pany partners with advocacy groups to develop nonbranded messages related to rare diseases.

"This company collaborated with various groups to establish a task force whose primary charge is finding solutions for healthcare providers treating rare diseases," she says. "They never pushed the brand, insisted on a



JAMES POWERS

THE PRESS AND CONSUMERS NEED TO UNDERSTAND HOW RIGOROUS THE PROCEDURES ARE for conducting clinical research and how many quality assurance checks are made along the way.



promotional stake, or leveraged their resources. In the process, the pharmaceutical company built powerful allies who believed in their brand and supported their efforts."

Ms. Gomez says PR is all about shaping public perception. Advocacy PR — when applied correctly — shapes the perceptions of the very groups that companies want to tar-

get: professional associations, consumer groups, and patients.

“Because we live in an era of immediacy, many companies want to realize immediate benefits from applying PR,” Ms. Gomez adds. “In the short term, we can show media placements. But that doesn’t reveal the big picture.”

According to Jeff Trehitt, a spokesman for Pharmaceutical Research and Manufacturers of America (PhRMA), one of the points that needs to be reinforced is the fact that the U.S. pharmaceutical and biotechnology research industry supplies 60% to 70% of the world’s new medicines and almost all of the cutting-edge biotechnology treatments.

“It is also important to repeatedly note that one of the major reasons why the United States is the world’s most innovative pharmaceutical research industry is because of our competitive marketplace pricing that makes it easier to get an adequate return on investment at a time when the cost of researching and developing one new drug has increased dramatically from an average of \$231 million per product 20 years ago to more than \$800 million per product today,” he says. “These are the facts that we need to get out about the industry.”

Experts agree that one way to communicate the industry’s message better is through education.

“People do not really understand what it takes to develop a drug,” Ms. Laitin says. “There is a basic misunderstanding, or lack of understanding, about pharmaceutical research and development, and there has to be an education process to correct this. If the industry were able to make its case more clearly, its image might improve.”

Experts say this educational effort can be enhanced if pharmaceutical companies go a step beyond press releases and news stories and meet consumers and patients to put a human face on the industry.

“Companies applying advocacy PR understand that ‘perception building’ is a long-term benefit,” Ms. Gomez says. “The public-relations benefit is seen when members of advocacy groups talk to their colleagues about the pharma company and their brand in a positive light. Companies will have a better chance of building brand loyal physicians and patients.”

Although the industry needs to do more in terms of communicating its story at events, seminars, conferences, and forums, the number of interest groups and the size of the coun-

**MEDICARE,
DRUG REIMPORTATION,
AND ESCALATING DRUG PRICES
MAKE PHARMA
COMPANIES
AN EASY TARGET
FOR NEGATIVE PRESS.**

**THE UPCOMING ELECTION WILL
HIGHLIGHT THE INDUSTRY’S SORE SPOTS.**

try make this an expensive endeavor, Mr. Schwartz says.

“It is very hard to do lots and lots of meetings in a huge country like the United States,” he says. “Public relations does a lot of things, but costs are tremendously prohibitive for attending or holding a lot of meetings. We are a mass-media country for a good reason. The Internet does help.”

BEYOND TRADITIONAL ADVOCACY

In addition to patient-advocacy groups, other organizations can impact the pharmaceutical industry’s reputation and image in positive and negative ways.

“There are a cluster of traditional organizations that pharmaceutical companies go back to again and again,” Ms. Dryer says. “Pharma needs to have a seat at the table of the big third-party organizations, such as the American Heart Association and the American Cancer Society, but companies need to broaden their outreach in terms of the types of groups that can be effective in reaching out to target populations.”

Ms. Dryer believes the youth population is a critical and overlooked group by the healthcare industry as a whole. Organizations that have the interests of the young as their



ILYSSA LEVINS ▶

If marketers, regulators, and communications agencies have the same agenda — keeping our country healthy —

WE MUST WORK HARD TO MAKE ADVOCACY RELATIONS INTEGRAL TO THE SYSTEM.



BRAD FAY ▶

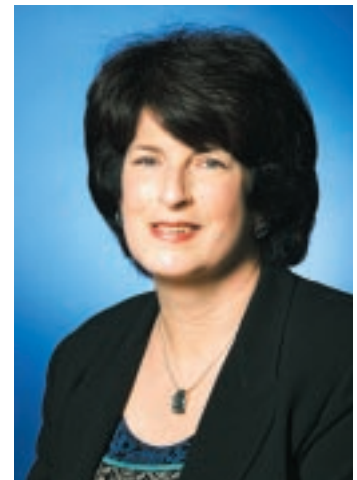
There is a national conversation on healthcare, and **PHARMACEUTICAL COMPANIES HAVE TO BE ACTIVE PARTICIPANTS** both as listeners and as a voice explaining their own position.



EVE DRYER ▶

There is no longer excitement over what is happening in medical science and what this research is doing to prolong life.

THE INDUSTRY IS FALLING SHORT IN DELIVERING THIS MESSAGE TO THE POPULATION.



core area of focus, such as the National Education Association, should be considered, although efforts should be made at the local level as well.

“The industry also should be working with local organizations, such as a teachers’ union in a particular state or a local chapter of the PTA; these are advocacy groups just like AARP or the American Heart Association,” she says. “They are advocating quality of life and education. Moreover, these groups are not only comprised of people who have kids in school and are making healthcare decisions for them, but who, as the sandwich generation, are helping aging parents deal with chronic disabilities and sometimes life-threatening diseases.”

Marcia A. Kean, CEO of Feinstein Kean Healthcare, says the industry needs to form pharmaceutical relationships with consumers where they live.

“Perhaps in addition to partnering with patient advocacy groups, such as the National Alliance for the Mentally Ill, companies could also partner with community organizations such as a rotary club, a local men’s or women’s club, or the local YMCA,” Ms. Kean says. “Companies need to reach out to develop mainstream relationships with consumers, caregivers, and families.”

Consumer-advocacy groups can be the industry’s most vocal opponent or ally. Although the primary goals of pharmaceutical companies and consumer-advocacy groups appear not to be in alignment, experts say if the industry can find common ground and form a less adversarial relationship, consumers and the industry will benefit.

“It is imperative that the industry strengthen its relationships with groups that speak out against it; just because there are areas where the two disagree doesn’t mean there is disagreement everywhere,” Mr. Deats says. “If the industry doesn’t find ways to align interests, pharma will be the big loser. The populations that the consumer-advocacy groups represent are powerful voices and will always exceed commercialized interest.”

“It is absolutely necessary that the industry has conversations and relationships with any group or audience that can have an impact on its business success,” Mr. Fay says. “By not engaging these groups, there is a greater risk of a hardening of opposing positions. Without some form of compromise, the chances of creating a sense of resentment are greater among people who are vitally important to the industry.”

ENSURING EFFECTIVE PR

Although public-relations agencies play an important role in disseminating messages and

news for pharmaceutical companies, executives at these companies don’t believe that public-relations efforts alone are enough to fix the industry’s ailing public image.

“Pharma needs some new business strategies that are ahead of this curve,” Ms. Kean says. “Companies need to work with policy makers to develop enlightened public policies, and this, in turn, will cascade down to good communications with the public. Good PR people and good communicators should be in the room when those policies are being shaped, but it is not primarily a PR challenge at this point.”

J. Peter Segall, general manager of Edelman’s Washington D.C.-based health policy and public-affairs practice, suggests that pharmaceutical companies launch their new products with this audience in mind.

“The industry has a potentially receptive audience of policy makers who are always looking for ways to address public-health needs and

are more than willing to sit down and have a conversation,” he says. “This is an opportunity for pharma companies to work with a community vital to their overall interests and develop common ground on new therapies that advance a health policy imperative.”

Good communication with policy makers is also critical for the industry given pending legislation, Mr. Trehitt says.

“The industry is in a showdown period right now in which a number of bad bills are pending in Congress, and bad legislation also is pending in some state legislatures,” he says. “We are encountering counterproductive importation bills, and even in some instances we have encountered price control bills. It has been very important to band together with like-minded allies, such as patient groups and healthcare professionals, to argue against bad legislation.”

Mr. Trehitt says PhRMA has a very active ally development division that works with patient groups and healthcare professionals when such bills are introduced in state legislatures and in Congress.

**THE LACK OF A
UNIFIED INDUSTRY VOICE
IN RESPONSE
TO ATTACKS IS
ONE FACTOR THAT
IS IMPACTING
PHARMA'S CREDIBILITY.**

**INDUSTRY STAKEHOLDERS
ARE NOT WORKING TOGETHER.**

“Certainly our critics have been marshalling their forces and we need to marshal our forces to more effectively, more convincingly, and more aggressively convey our thoughts on major issues,” he says.

THE LONG ROAD AHEAD

General sentiment among public-relations experts is that the pharma industry's declining

public image will get worse before it gets better (see box on page 28). The upcoming election will highlight the industry's sore spots — Medicare, drug reimportation, escalating drug prices — making pharma companies an easy target for negative press.

Ms. Kean believes it will take forces within the industry to truly change public perception.

“Two things have to change in the overall pharmaceutical environment,” she says. “First, the healthcare system has to change in a pretty dramatic way to rationalize the way healthcare is delivered. Second, pharma research and development has to finish its transformation and get to a point where R&D investments result predictably in a flow of new drugs.”

One of the more pressing issues, according to experts, is that industry stakeholders are not working together. The lack of a unified industry voice and response to attacks is one factor that is impacting pharma's credibility.

“Our biggest problem is that we are not working together,” Ms. Gomez says. “There is the assumption that someone else should be handling these issues and protecting the

industry's reputation. The problem is, everyone is waiting for that someone else to take the first step. We are not responding to criticisms correctly, or responding at all, we are not sharing positive stories that affect the patients or the community. We are, just simply, not working together."

The highly competitive nature of the industry makes it resistant to change, which also hurts these efforts, Ms. Laitin says.

"This public-relations problem lies at the very root of our industry, as a result of the cut-throat competition we prize in the United States," she says. "It is this competition that

makes pharmaceutical companies secretive and adversarial rather than cooperative shareholders in the stakes. Pharmaceutical companies are so focused on the bottom line that they forget to do good while they're doing well."

Because of the lack of cooperation in the industry and a lack of visibility of the good deeds companies in the industry do, it may be too late for public-relations efforts alone to repair pharma's damaged image.

"Government controls are inevitable; we've been promising to self-regulate for more than a decade, only to see drug prices double, triple, even quintuple, over the short

term, making it difficult if not impossible for many people to get the drugs they need," Ms. Laitin says. "At some point in the future, the government may be forced to negotiate prices and discounts to make drugs more available. When this happens, public perception and acceptance may improve, but pharma profits will diminish. We're paying the piper now and it's going to take us a long, long time to recover." ♦

PharmaVoice welcomes comments about this article. E-mail us at feedback@pharmavoices.com.

Experts on this topic

JOHN DEATS. PR Practice Leader, GSW Worldwide, Westerville, Ohio; GSW is an independent healthcare advertising agency and a subsidiary of inChord Communications Inc. For more information, visit gsw-w.com.

EVE DRYER. President, Vox Medica Healthcare Public Relations, Philadelphia; Vox Medica is a healthcare and medical communications company providing advertising and strategic marketing, graphic design, interactive media development, and public relations. For more information, visit voxmedica.com.

BRAD FAY. Managing Director, NOP World Consumer, Princeton, N.J.; NOP World Consumer, a United Business Media company with headquarters in New York, is one of the world's top 10 global market research organizations. For more information, visit nopworld.com.

MARITA GOMEZ. Partner, HealthInfo, Schaumburg, Ill.; HealthInfo is a division of HealthInfo Direct LLC, an integrated direct-marketing group that specializes in coordinated communication programs. For more information, visit healthinfodirect.com.

JEFF HOYAK. Executive VP, MCS PR, Bedminster, N.J.; MCS is a healthcare public

relations and marketing communications company. For more information, visit mcspr.com.

MARCIA A. KEAN. CEO, Feinstein Kean Healthcare, Cambridge, Mass.; FKH, a wholly owned subsidiary of Ogilvy Public Relations Worldwide, specializes in integrated corporate and product communications for the biotech and pharmaceutical industries. For more information, visit fkhealth.com.

JULIE A. LAITIN. President, Julie A. Laitin Enterprises Inc., New York; Julie A. Laitin is a full-service marketing and public relations firm whose clients include major medical publishers, healthcare agencies, medical-education, Internet, and technology groups. For more information, visit julielaitin.com.

ILYSSA LEVINS. Managing Director, BrandEdge, New York; BrandEdge, a joint venture between GCI Group and Grey Healthcare Group, is a strategic consulting firm that provides marketing strategy services to pharmaceutical, biotech, diagnostic, and device companies. For more information, visit brandedgeglobal.com.

JAMES POWERS. Executive VP, Business Development, PRA International Inc., McLean, Va.; PRA International is a global clinical development organization. For more information, visit prainternational.com.

MICHAEL RINALDO. Senior VP, Senior Partner, and Director of Healthcare, Fleishman-Hillard Inc., St. Louis; Fleishman-Hillard, a part of Omnicom Group Inc., offers strategic communications counsel to local, national, and international clients. For more information, visit fleishman.com.

GERALD S. SCHWARTZ. President, G.S. Schwartz & Co. Inc., New York; G.S. Schwartz & Co. is a leading midsize independent public-relations agency serving technology, business-to-business, financial services, and consumer clients, both nationally and internationally. For more information, visit schwartz.com.

J. PETER SEGALL. General Manager of Edelman's Health Policy and Public Affairs Practice, Washington, D.C.; Edelman is the world's largest independent public-relations firm. For more information, visit edelman.com.

JEFF TREWHITT. Spokesman, Pharmaceutical Research and Manufacturers of America, Washington, D.C.; PhRMA represents the country's leading research-based pharmaceutical and biotechnology companies, which are devoted to inventing medicines that allow patients to live longer, healthier, and more productive lives. For more information, visit phrma.org.